

LNF & IHCIF Calculations Illustration

- BERRY CREEK/MOORETOWN in California area -

Given Data

- 3,029 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 45% = % Expenditures on purchased services, 55% = % expenditures in-house
- 114.6% = Cost index for purchasing health care in this geographic area
- 119.9% = Size cost index for in-house costs due to small or large size
- 95.9% = California area cost index for health status above or below average

Cost Adjustment Calculations

- \$1,536 per person for purchased services = $45\% * 114.6\% * \$2,980$
- \$1,964 per person for in-house services = $55\% * 119.9\% * \$2,980$
- \$3,501 per person total = \$1,536 (purchase) + \$1,964 (in-house)
- **\$3,358 per person total** adjusted for health status = $\$3,501 * 95.9\%$
- **\$2,613 per person net cost** = $\$3,358 - \745 Other resources (M&M&PI)

Existing Expenditures (for 3,029 users excluding wrap-around and collections)

- \$876 per person = local IHS allowance (excludes \$ for wrap-around)
- \$222 per person = expenditures elsewhere in California area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,152 per person for OU users** = $\$876 + \$222 + \$54$

LNF Calculation

- **34.3% Gross LNF** = $\$1,152$ (expenditures) / $\$3,358$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **44.1% Net LNF** = $\$1,152 / \$2,613$ net cost ($\$3,358 - \745 other)

IHCIF Allocation

- \$1,261,061 = \$ to raise LNF% from 44.1% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$43,986 Allocation** = $\$1,261,061$ needed for 60% * 3.488% IHCIF fraction

BERRY CREEK/MOORETOWN Unmet Needs

- **\$7,915,134 Net Total Need** = 3,029 users * \$2,613 net cost
- **\$4,427,114 Net Unmet Need** = $(100\% - 44.1\% \text{ LNF}) * 3,029 \text{ users} * \$2,613 \text{ net cost}$